

This is a section of [doi:10.7551/mitpress/12686.001.0001](https://doi.org/10.7551/mitpress/12686.001.0001)

# Innovation Matters

## Competition Policy for the High-Technology Economy

By: Richard J. Gilbert

### Citation:

*Innovation Matters: Competition Policy for the High-Technology Economy*

By: Richard J. Gilbert

DOI: 10.7551/mitpress/12686.001.0001

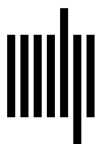
ISBN (electronic): 9780262358637

Publisher: The MIT Press

Published: 2022

### OA Funding Provided By:

The open access edition of this book was made possible by generous funding from Arcadia—a charitable fund of Lisbet Rausing and Peter Baldwin.



The MIT Press

# Innovation Matters



**Innovation Matters**

**Competition Policy for the High-Technology Economy**

**Richard J. Gilbert**

**The MIT Press  
Cambridge, Massachusetts  
London, England**

© 2020 Massachusetts Institute of Technology

This work is subject to a Creative Commons CC-BY-NC-ND license.

Subject to such license, all rights are reserved.



The open access edition of this book was made possible by generous funding from Arcadia—a charitable fund of Lisbet Rausing and Peter Baldwin.



This book was set in Palatino by Westchester Publishing Services.

Library of Congress Cataloging-in-Publication Data

Names: Gilbert, Richard J., 1945- author.

Title: Innovation matters : competition policy for the high-technology economy / Richard J. Gilbert.

Description: Cambridge, Massachusetts : MIT Press, [2020] | Includes bibliographical references and index.

Identifiers: LCCN 2019039525 | ISBN 9780262044042 (hardcover)

Subjects: LCSH: High technology industries. | Competition. | Antitrust law--Economic aspects. | Consolidation and merger of corporations--Law and legislation--Economic aspects.

Classification: LCC HC79.H53 G56 2020 | DDC 338.8/2--dc23

LC record available at <https://lcn.loc.gov/2019039525>

To Michael and (Esther)<sup>2</sup>



# Contents

- 1 Introduction 1
- 2 Should Competition Policy Differ for the High-Technology Economy? 13
- 3 Competition and Innovation Basics: Arrow versus Schumpeter 41
- 4 Dynamics, Cumulative Innovation, and Organizational Theories 55
- 5 Merger Policy for Innovation 77
- 6 Competition and Innovation: Empirical Evidence 107
- 7 Merger Enforcement for Innovation: Examples and Lessons for Remedies 139
- 8 “We Are Going to Cut Off Their Air Supply”: Microsoft and Innovation Harm from Exclusionary Conduct 167
- 9 “Where Is Foundem?” The Google Shopping Case and Antitrust Policy for Product Designs 195
- 10 Competition Policy for Standards 219
- 11 Some Concluding Remarks on Innovation-Centric Competition Policy 235



Acknowledgments	245
Notes	247
References	281
Index	307

© 2020 Massachusetts Institute of Technology

This work is subject to a Creative Commons CC-BY-NC-ND license.

Subject to such license, all rights are reserved.



The open access edition of this book was made possible by generous funding from Arcadia—a charitable fund of Lisbet Rausing and Peter Baldwin.



This book was set in Palatino by Westchester Publishing Services.

Library of Congress Cataloging-in-Publication Data

Names: Gilbert, Richard J., 1945- author.

Title: Innovation matters : competition policy for the high-technology economy / Richard J. Gilbert.

Description: Cambridge, Massachusetts : MIT Press, [2020] | Includes bibliographical references and index.

Identifiers: LCCN 2019039525 | ISBN 9780262044042 (hardcover)

Subjects: LCSH: High technology industries. | Competition. | Antitrust law--Economic aspects. | Consolidation and merger of corporations--Law and legislation--Economic aspects.

Classification: LCC HC79.H53 G56 2020 | DDC 338.8/2--dc23

LC record available at <https://lcn.loc.gov/2019039525>